

TAX FACTS

Information for Washington State's Business Community

WASHINGTON
STATE

UBI

UNIFIED
BUSINESS
IDENTIFIER

Spring UBI Business Information Workshops

There's a lot of information available to business owners about state laws and regulations. To get this information, come to one of the free Business Information Workshops during April and May. The departments of Revenue, Licensing, Labor and Industries, and Employment Security jointly sponsor these popular workshops.

Representatives will discuss the laws administered by these agencies that relate to your business activities. In addition, representatives from the Department of Ecology, the Business Assistance Center, Department of Social and Health Services' Support Enforcement Division, and Internal Revenue Service will be present.

For prerecorded directions to the workshop nearest you, call the Department of Revenue at 1-800-647-7706

*Come to one of
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Information
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(TTY users please call 1-800-451-7985). Seating will be on a first-come, first-seated basis. Interpreters for sight and hearing impaired persons are available upon request. To arrange for this service, or if you have special facility needs, please call (360) 586-5372 at least two weeks prior to the date of the workshop. ▲

Seating will be on a first-come, first-seated basis

Agenda

7:30-8:00	Check In
8:00-8:05	Introduction
8:05-8:55	Dept. of Licensing
9:00-9:30	Dept. of Social and Health Services/ Div. of Child Support
9:30-9:40	BREAK
9:40-11:00	Dept. of Labor and Industries
11:00-11:10	BREAK
11:10-12:30	Employment Security Dept.
12:30-1:30	LUNCH
1:30-2:15	Internal Revenue Service
2:20-3:45	Dept. of Revenue
3:50-4:00	Closing Comments

Spring 2000 Workshop Schedule and Agenda

Date	Location	Address
April 17	Kent	Holiday Inn 22218 84 th Ave. S.
April 24	Tacoma	Dept. of Social & Health Services 2121 S. State St., Rm. 406
May 2	Moses Lake	Shilo Inn Conference Room 1819 E. Kittleson
May 3	Pasco	Columbia Basin College Workforce Training Center 2600 N. 20 th Ave.
May 5	Spokane	Spokane Falls Community College 3410 Fort Wright Drive
May 16	Edmonds	Edmonds Community College Triton Union Bldg. 20000 68 th Ave. W.
May 23	Vancouver	Water Resource Education Center 4600 SE Columbia Way

Federal tax information

Each year, we receive numerous calls requesting income tax assistance and forms. As a state agency, the Department of Revenue is not qualified to answer federal tax questions and does not maintain federal (IRS) forms. For assistance with federal tax forms, please contact the Internal Revenue Service at one of the following:

Federal tax information 1-800-829-1040
IRS federal tax forms only 1-800-829-3676
Tele-tax recorded tax information and automated refund information 1-800-829-4477
TTY only (hearing & speech impaired) 1-800-829-4059
IRS Internet web site:
<http://www.irs.ustreas.gov/>

Rule changes

The Department of Revenue is responsible for administering most of the tax laws enacted by the Washington State Legislature. As a part of the responsibility, the Department publishes rules to assist taxpayers in accurately reporting their tax liability. To reflect changes in tax law and industry practices, these rules, Washington Administrative Code (WAC), often require revising through the rule-making procedure.

The following administrative rules have been adopted or repealed since the December 1999 issue of *Tax Facts*:

Adoption

WAC 458-07-010 (Fast Fax code 4020)	Valuation and revaluation of real property—Introduction. (Property tax rule) <i>Effective January 7, 2000.</i>
WAC 458-07-015 (Fast Fax code 4020)	Revaluation of real property—Annual counties. (Property tax rule) <i>Effective January 7, 2000.</i>
WAC 458-07-020 (Fast Fax code 4020)	Revaluation of real property—Multiyear counties. (Property tax rule) <i>Effective January 7, 2000.</i>
WAC 458-07-025 (Fast Fax code 4020)	Revaluation of real property—Plan submitted to Department of Revenue. (Property tax rule) <i>Effective January 7, 2000.</i>
WAC 458-07-030 (Fast Fax code 4020)	True and fair value—Defined—Criteria—Highest and best use—Data from property owner. (Property tax rule) <i>Effective January 7, 2000.</i>
WAC 458-07-035 (Fast Fax code 4020)	Listing of property—Subdivisions and segregation of interests. (Property tax rule) <i>Effective January 7, 2000.</i>
WAC 458-20-101 (Fast Fax code 2101)	Tax registration and tax reporting. (Excise tax rule) <i>Effective January 13, 2000.</i>
WAC 458-20-117 (Fast Fax code 2117)	Sales and/or use of dunnage. (Excise tax rule) <i>Effective January 13, 2000.</i>
WAC 458-20-135 (Fast Fax code 2135)	Extracting natural products. (Excise tax rule) <i>Readopted January 24, 2000.</i>
WAC 458-20-136 (Fast Fax code 2136)	Manufacturing, processing for hire, fabricating. (Excise tax rule) <i>Readopted January 24, 2000.</i>

WAC 458-20-13601
(Fast Fax code 213601)

WAC 458-20-228
(Fast Fax code 2228)

WAC 458-40-540
(Fast Fax code 3540)

WAC 458-40-660
(Fast Fax code 3660)

Manufacturing, processing for hire — Sales and use tax exemption for machinery and equipment. (Excise tax rule) *Readopted January 24, 2000.*

Returns, remittances, penalties, extensions, interest, stay of collection. (Excise tax rule) *Effective February 24, 2000.*

Forest land values-2000. (Forest tax rule) *Effective January 1, 2000.*

Timber excise tax—Stumpage value tables—Stumpage value adjustments. (Forest tax rule) *Effective January 1, 2000.*

Repeal

WAC 458-12-040

WAC 458-12-300

WAC 458-12-301

WAC 458-12-305

WAC 458-12-326

WAC 458-12-327

WAC 458-12-330

WAC 458-12-335

WAC 458-12-336

WAC 458-12-337

Listing of property—Segregation of interests. (Property tax rule) *Effective January 7, 2000.*

Definition—True and fair value. (Property tax rule) *Effective January 7, 2000.*

True and fair value—Criteria. (Property tax rule) *Effective January 7, 2000.*

Market value—Estimation—Real property. (Property tax rule) *Effective January 7, 2000.*

Revaluation—Definitions. (Property tax rule) *Effective January 7, 2000.*

Revaluation—Valuation Criteria—Methods. (Property tax rule) *Effective January 7, 2000.*

Real property valuation—Highest and best use. (Property tax rule) *Effective January 7, 2000.*

Revaluation process by county assessor. (Property tax rule) *Effective January 7, 2000.*

Assessor's revaluation plan. (Property tax rule) *Effective January 7, 2000.*

Revaluation process—Reports. (Property tax rule) *Effective January 7, 2000.*

- WAC 458-12-338 **Revaluation Process—Department of Revenue—Performance—Standards—Assistance.** (Property tax rule)
Effective January 7, 2000.
- WAC 458-12-339 **Revaluation process—Valuation procedure—Uniformity within cyclical period.** (Property tax rule)
Effective January 7, 2000.
- WAC 458-12-350 **Assessment and evaluation—Separate valuation of lands and improvements.** (Property tax rule)
Effective January 7, 2000.

Newly adopted rules are available on the Department's Internet site at <http://dor.wa.gov>. Use the "Rules/Laws" hot button to access the rules. You may also call 1-800-647-7706 and ask that a copy be faxed or mailed to you. ▲

Tax law changes coming

This year promises to be a busy year for tax issues. At press time, dozens of tax bills had been introduced in the Legislature. Consequently, we anticipate several changes to our tax laws this legislative session. The June 2000 issue of *Tax Facts* will identify the resulting changes and their effective dates.

Look for the June 2000 issue of *Tax Facts* by the end of June. You can also look for *Tax Facts* on our web site at: <http://dor.wa.gov>. To access this and other publications, use the "Publications" hot button. ▲

2-for-1 promotions, discount coupons, and sales tax

Do you accept discount coupons? Do you provide customer discounts via a club or discount card? Do you accept promotions advertising two meals for the price of one? If so, read on to understand when and when not to compute sales tax on the discounted amount.

*...when and when
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Retailers frequently apply discounts when selling goods and meals. How sales tax is computed (before or after subtracting the discount) depends on the amount the retailer actually receives.

Frequently, a manufacturer issues a coupon providing a discount to the consumer. However, the terms of the coupon provide that the manufacturer will pay the retailer all or part of the discount amount. Thus, the retailer actually receives the full retail price for the articles sold and the sale cannot be treated as having been discounted. Accordingly, the retailer must compute the sales tax *before* subtracting the discount.

With a store coupon, the retailer accepts a reduced selling price. The same is generally true for discount cards and two-for-one meal promotions. In such situations, the retailer computes sales tax *after* subtracting the discount.

For further information, please refer to WAC 458-20-108 and Excise Tax Advisory (ETA) 408.08.108. Both the rule and the ETA are available on the Department's Internet web site under the "Rules/Laws" hot button. To receive a copy, you may also call the Telephone Information Center at 1-800-647-7706. ▲

Excise Tax Advisories

The table below identifies Excise Tax Advisories (ETA) recently issued by the Department of Revenue.

The Department issues ETAs to quickly advise businesses of changes in tax applications that occur as a result of court rulings, legislative or business changes. ETAs are available on the Agency's web site at <http://dor.wa.gov> under the "Rules/Laws" hot button.

Recently Issued Excise Tax Advisories		
Number	Title	Issue Date
2004.04/08.167	Fund-raising Activities of Public Schools, Associated Student Body Groups, and Parent Teacher Associations	November 23, 1999
2005.84.33	Timber Tax Personal Use of Timber by Landowner	November 23, 1999



April 30

Property tax reminders

April 30 is important for two reasons. First, real and personal property tax payments are due that day. Second, personal property affidavits, a listing of personal property used in conducting business or other personal property not exempt by law, are also due.

(continued on page 4)

If you have questions about payment of property taxes, contact your county treasurer's office. If you have questions about the valuation of property or filing the personal property affidavit, contact your county assessor's office. Numbers for both offices are listed in the county government sections of the phone book. ▲

New special notices

The Department has issued the following special notices:

EFFECT OF INITIATIVE 695 (I-695) ON THE RIDE SHARING TAX CREDIT discusses changes in the ride sharing tax credit program occurring as a result of the passage of I-695. Issued December 22, 1999. (*Fast Fax* code 779.)

CAR RENTAL TAX STILL DUE AS OF JANUARY 1, 2000 explains that I-695 does not repeal state and local car rental taxes. Consequently, the tax continues to apply to car rentals of less than 30 days. Issued December 27, 1999. (*Fast Fax* code 780.)

USE TAX REMINDER FOR MEDICAL PROFESSIONALS explains that medical industry professionals must report and pay use tax on the value of consumable supplies, medical supplies, and equipment acquired without payment of the state's retail sales tax. Issued January 6, 2000. (*Fast Fax* code 781.)

The following special notice has been rescinded:

EXPANDED SALES AND USE TAX EXEMPTION FOR AGRICULTURAL EMPLOYEE HOUSING, issued August 15, 1997. For complete information about the exemptions, please refer to WAC 458-20-262.

The Department of Revenue mails special notices to affected individuals, groups, and businesses. If you did not receive a notice and wish to, call 1-800-647-7706. Special notices are also available on the Department's Internet web site, <http://dor.wa.gov>, under the "Publications" hot button. ▲

24-hour automated services



The Department of Revenue's Telephone Information Center offers several automated services. With the exception of *Tax Express* and Revenue's Internet web site, you can access any of these services by calling 1-800-647-7706. Listen to the menu and select the option you wish to use.

Fast Fax — transmit documents directly to your fax machine. For a list of available documents, enter code 500#. To bypass menu selections, call (360) 786-6116.

Workshops — obtain information about the UBI Business Information Workshops, conducted during the spring and fall.

Vehicle or vessel fraud — report vehicle or vessel licensing fraud.

Address changes — notify us if you have moved or changed your mailing address.

Business closures — notify us if you have closed or sold all or part of your business. If you've sold your business, tell us who you sold the business to and whether you'll continue to do business under your UBI/tax registration number.

Master Applications — request a new Master Application if you're changing your business structure (legal entity), changing or adding a trade name, opening a new location, reopening a closed business, divorcing and your spouse is no longer responsible for the business, changing your principal product or service and a license from another agency is required, or transferring the majority of a corporation's stock to different individuals.

Copies of rules, laws, or other departmental publications — request a rule, law, or other publication. An order form listing the Department's fact sheets and brochures is available via *Fast Fax*, code 501#.

Proposed rules — leave informal comments on proposed rule changes or ask to be placed on a mailing list to receive notice of future proposed rule-making actions.

Delinquent notices/no tax returns — clear the delinquency if you have received a delinquent notice and you have no business to report.

Duplicate tax returns — request a new tax return be faxed or mailed if you've misplaced your tax return. Please have your UBI/tax registration number ready when calling.

Tax Express — listen to prerecorded tax information by calling 1-800-334-8969. To listen to the topic of your choice, enter the three-digit code. To receive a list of topics and codes, call 1-800-647-7706 and leave a message with the automated voice attendant.



Revenue's web site — see what's new on our web site: <http://dor.wa.gov>

To inquire about the availability of this document in an alternate format for the visually impaired or a language other than English, please call (360) 753-3217. Teletype (TTY) users please call 1-800-451-7985.

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